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House of Representatives

STATEMENT OF CONGRESSMAN ED CASE OF HAWAII TUESDAY, APRIL 26, 2005

EXPANDED ACCESS TO FINANCIAL SERVICES ACT OF 2005

Mr. Speaker, I rise today in strong support of H.R. 749, the Expanded Access to Financial Services Act of 2005. I do so as the proud representative of Hawai'i's Second District, in which our nation's credit unions have a long and rich history, and as one of my Hawai'i's 742,000 credit union members.

H.R. 749 will allow credit unions to provide expanded services to both members and non-members otherwise eligible for membership. These expanded services include the issuance of travelers' checks and money orders, and electronic funds transfers.

Most specifically, this bill, if signed into law, will in part enable many more of our citizens to transfer money overseas to family members and others with greater ease, thereby assisting our personal and financial interests. For it is a fact that our country is facing its highest level of immigration since the Depression era, with over 28.4 million foreign-born individuals residing in the United States.

My Hawai'i is no exception. According to the most recent Census Bureau's American Community Survey, Hawai'i, with 17.9 percent, has the fourth-largest percentage of foreign-born residents in the United States.

An overwhelming majority of Hawai'i's foreign-born population is from Asia. According to the Susannah Wesley Community Center, a private,

nonprofit agency contracted by the State of Hawai'i to provide immigrant services, Hawai'i's largest immigrant population--fifty percent of all incoming immigrants--hails from the Philippines. It is crucial to these populations and others that our financial institutions provide quick, efficient, and economical means by which monies may be transferred to their countries of origin and elsewhere.

Unfortunately, our nation's financial infrastructure has been slow to offer such services, especially in the less urbanized and rural parts of our country such as my district where our credit unions have long filled an important community-based financial services function. As a result, there is a growing population of "unbanked" individuals, particularly immigrants, and a costly and inefficient money transfer process.

The World Council of Credit Unions, along with the Credit Union National Association, offer credit unions a remittance product called the International Remittance Network (IRnet). IRnet is an electronic funds transfer service providing credit union members a safe and inexpensive way to send money overseas and domestically, and provides service to over 40 countries in Latin America, Asia, Africa and Europe, including the Philippines, Mexico, and Australia.

IRnet significantly decreases the costs for individuals to transfer funds overseas. Over the past four years, the advent of IRnet and enhanced

competition among our financial institutions offering money transfer services has driven down remittance costs for consumers. The average cost today of sending \$300 to Mexico is between \$13 and \$14, or 4-5 percent of the amount sent, compared to the average cost four years ago, which was between \$30 and \$32, or 10-11 percent.

This legislation will expand the range and number of people eligible for the use of IRnet and thereby lower the costs paid by the consumer for these services through increased competition within the marketplace. In the process, it will also encourage a larger number of our newly-arrived citizens and residents to utilize our credit unions and other financial services.

H.R. 749 will not harm or otherwise risk our country's financial or monetary security, as IRnet utilizes real-time monitoring of transactions against the Specially Designated Names, SDN, list from the Office of Foreign Asset Control. What this bill will do again is to help more people in our communities with more and better ways to provide for their personal and economic needs and obligations overseas while preserving basic homeland security protections.

Mr. Speaker, I commend my colleague from Pennsylvania, Mr. GERLACH, for introducing this bill. I look forward to working with him and our nation's invaluable credit unions to see this measure through into law.